



NEWS & VIEWS

Eric Ness, District Director
U.S. Small Business Administration-Wisconsin
<http://www.sba.gov/wi>
Jan Wipijewski, Editor – (414) 297-1096

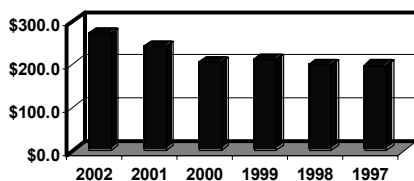
SBA News and Views is a monthly publication of the SBA Wisconsin District Office. Its purpose is to provide Wisconsin lenders and small business leaders with up-to-date information on SBA programs and small business issues. It is distributed at no cost, and the reprinting of articles is encouraged.

FROM THE DESK OF THE DISTRICT DIRECTOR

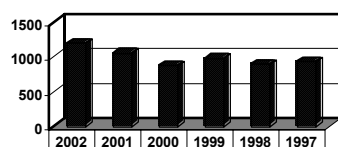
Small businesses in Wisconsin received **1,190** loan guarantees totaling **\$271,496,917** in financing backed by the U.S. Small Business Administration during fiscal year 2002.

There were **1,072** 7(a) loans for approximately **\$215 million** and **118** CDC loans for **\$57 million**. There were **62** Micro loans for **\$1,106,360** and **60** disaster loans totaling **\$7million**.

DOLLARS IN MILLIONS



NUMBER OF LOANS



The **343** members of the Service Corps. Of Retired Executives (SCORE) volunteered **17,176** hours assisting **1,024** small business owners and **3,121** individuals in the process of starting their own businesses. They also conducted **131** small business workshops attended by **2,146** people.

The SBA funded Small Business Development Centers (SBDC's) at **12** of the University of Wisconsin campuses assisted **1,651** individuals and conducted **439** seminars attended by **8,852** people.

Wisconsin's SBA loan portfolio is **4,729** active loan guarantees worth **\$792 million** as of September 30, 2002.

I want to thank all our resource partners in Wisconsin for helping us to achieve these impressive figures and look forward to working with all of you in fiscal year 2003.

FY 2002 SBA NATIONAL STATISTICS

For FY 2002 (ending September 30, 2002), the SBA approved more than **51,650** loan guaranties amounting to a record **\$12.2 billion** in the 7(a) General Business Loan Guaranty program. Of that total, about **4,700** loans amounting to **\$1.83 billion** were made under the STAR (Supplemental Terrorist Activity Relief) program.

SBA also approved 5,480 loans worth a record \$2.47 billion under the Certified Development Company (CDC) loan program.

The combined dollar total for the two loan programs of **\$14.68 billion** is a record.

SBA's Microloan program provided **\$34.2 million** in loans to more than **2,400** borrowers, a record.

SBA's Small Business Investment Company (SBIC) program produced **\$2.66 billion** in equity and

debt capital investments during the year. The program's licensed SBIC's made more than **4,000** investments in almost **2,000** different small businesses.

SBA's Disaster Assistance loan program made about **21,830** disaster recovery loans nationwide, amounting to over **\$1.3 billion** during FY 2002. The total for the World Trade Center/Pentagon victims is more than **\$426 million** in disaster recovery loans, and more than **\$447 million** for the Expanded Economic Injury Disaster Loan program for firms that were impacted by 9/11 located outside of the declared disaster areas in New York and Virginia.

More than **651,400** people received technical assistance through the Small Business Development Center program; almost **440,300** people received assistance from the volunteers of the Service Corps of Retired Executives (SCORE); **208,000** people used an SBA Small Business Classroom on the Internet; and almost **86,000** people got help from an SBA Women's Business Center.

SBA's Internet, e-mail and toll-free telephone service also reached millions of customers during the year. The SBA Web site (www.sba.gov) recorded more than **65 million** visits, and reached an average level of **1.5 million** visits a week. The SBA Answer Desk received more than **207,700** calls and more than **18,200** e-mail inquiries, and sent out more than **32,250** small business start-up kits.

SOLUTION OFFERED FOR DEBATE OVER LOAN PROGRAM COSTS FOR SMALL BUSINESS

In an effort to improve the accuracy and predictive capability of the model used to project the cost of the 7(a) General Business Loan Program, the U.S. Small Business Administration has developed an econometric model as an innovative solution.

The econometric model will enable the SBA to allocate its resources more effectively, determine program risk more precisely, and increase its ability to target loans to aspiring entrepreneurs who cannot obtain financing without a government guaranty. The econometric subsidy model will improve the government's ability to forecast loan performance by taking into account a wider variety of economic factors, such as GDP and unemployment, as well as a wider variety of loan characteristics that affect performance. The new model allows for a more accurate reflection of loan performance and allows the agency to calibrate appropriations requests and loan fee levels more precisely.

"Coming up with an improved subsidy rate model has been an important priority for us at the SBA, and I'm extremely pleased to say that we have done it right," said SBA Administrator Hector V. Barreto. "Rather than jump in with a quick fix solution, we have taken the time and made the effort to develop a solid, long-term solution that we think our partners, both lenders and small businesses, will be happy with."

"This new, forward-thinking model will help us to do a better job backing loans to small businesses, and it will help us do a better job protecting the interests of the American taxpayer, the ultimate backer of our loan programs."

In accordance with the commitment the Administrator made one year ago, the SBA is prepared to implement the new model for the 2004 budget year.

SBA EXCHANGE PILOT PROGRAM

The U.S. Small Business Administration (SBA) is proud to announce the launch of the *SBAExchange* Pilot Program—an electronic purchasing tool designed to facilitate small business e-procurement opportunities, and to improve efficiency and accountability of current government procurement processes, and assist small businesses in their e-procurement efforts.

The *SBAExchange* is a streamlined electronic tool—developed under contract with, and managed by NEXGEN Solutions, Inc. — that allows agencies to award simplified acquisitions up to \$100,000 (including micro-purchases) and to make purchases and payments electronically with the Government wide commercial purchase card. Agencies will be able to use *SBAExchange* to award purchases over \$25,000 that have been posted in Federal Business Opportunities (FedBizOpps) provided the notice states that the award will be made electronically. Additionally, *SBAExchange* helps small businesses compete for purchases that are currently being ob-

tained through other contracting methods.

To participate, small businesses must obtain an Internet-based Supplier Web Site from www.sba.gov/sbaexchange/.

Through the Supplier Web Site, a small business will receive:

- A fully hosted, supplier branded, e-commerce website;
- Exposure to federal buying authorities, large federal prime contractors and other large buying officials;

A centralized order management system for receiving and processing Internet-based orders from federal, state, local and commercial buying authorities;

- A management system for tracking new business, creating and submitting quotes and;
- Assistance in managing the new site.

SBA plans to kick-off this pilot program nationally on March 30, 2003 when agencies can begin awarding transactions through the system. In order to ensure a successful launch in March, the small business electronic catalog development period opened on October 30, 2002.

The annual cost to participate in the SBAExchange Pilot Program is \$1,500. Additionally, a transaction fee of 2 percent will be added to all orders. The first 2,500 small businesses to sign up will receive a \$450.00 discount.

If you are interested in this Pilot Program, please visit us at www.sba.gov/sbaexchange/ to learn more.

REGULATORY ENFORCEMENT ASSISTANCE

The U.S. Small Business Administration's Office of the National Ombudsman has recorded one million hits to its Web site offering assistance and information to small businesses with complaints about excessive regulatory enforcement.

In the nine months that the Web site at www.sba.gov/ombudsman has been available, it has become a valuable informational tool and an efficient and effective way to file complaints and concerns. The online complaint system can be accessed 24 hours a day whenever a small business owner finds time in his or her busy schedule.

A three-question preview page helps determine whether or not the ONO can help. After answering the questions, a short two-page confidential form pops up that can be mailed, faxed or electronically delivered to the office. Complaints and comments can also be delivered by calling 1-888-REGFAIR or by writing the Office of the National Ombudsman, U.S. Small Business Administration, 409 3rd St. SW, MC2120, Washington, DC 20416-0005.

National Ombudsman Barrera acts as a neutral liaison between small businesses and federal regulatory agencies, bringing complaints and concerns about unfair regulatory enforcement actions to the attention of high level agency officials. Such actions may include repetitive audits or investigations, excessive and unfair fines or penalties, and threats of retaliation for complaints.

"Entrepreneurs cannot operate effectively in a regulatory enforcement environment of uncertainty and confusion," said Barrera. "Such an environment makes entrepreneurs spend more time sorting through complex material and less time with their customers."

Small business owners can also voice complaints and concerns to Barrera and his staff at Regulatory Fairness Board hearings conducted across the country. They are typically attended by representatives of federal regulatory agencies who sometimes can resolve problems on the spot.

NATIONAL AMERICAN INDIAN HERITAGE MONTH

The Great Lakes is a chain of inland lakes stretching from New York to Minnesota. Because they comprise such a large waterway, they have played a vital role in the lives and histories of Indian peoples who have resided along their shores for millennia. Most Indian groups living in the Great Lakes region for the last five centuries are of the Algonquian language family. This includes such present-day Wisconsin tribes as the Stockbridge-Munsee and the Brothertown—are also Algonquian-speaking tribes who relocated from the eastern seaboard to the Great Lakes region in the nineteenth century. The Oneida who live near Green Bay belong to the Iroquois language group and the Ho-chunk of Wisconsin is one of the few Great Lakes tribes to speak a Siouan language.

Although there have been many differences in language and customs between different Indian tribes, Great Lakes communities have had many things in common. They comprise a general culture called "Woodland" after its adaptation to North America's northeastern and southeastern woodlands. Woodland Indian societies have depended to a large degree on forest products for their survival, and Great Lakes Indians hunted, fished, gathered wild foods, and practiced agriculture for their subsistence. In many parts of the Great Lakes—particularly northern Wisconsin—Indians depended on wild rice as a dietary staple, while Indians in areas without wild rice generally cultivated corn. Where sugar maples grow, Great Lakes Indians established sugar-making camps in early spring and made sugar from tree sap.

Assimilation

From about 1850 to 1930, the United States developed an assimilation policy through which Indian people were encouraged or forced to give up their languages, customs, religions, and ways of life. They were forced to live like Whites so they could be "civilized" and eventually assimilate or fit into mainstream American society.

U.S. assimilations policies ended in the 1930s largely because Indians did not want to give up their culture and wanted to remain Indians. The federal government attempted a similar program in the 1950s called Termination in which tribes would no longer be recognized as sovereign political bodies by the federal government. The Menominee were terminated as a tribe in 1961, but their experience

with this new program was so negative that no other tribe agreed to be terminated. The Menominee fought to regain their status as a federally recognized tribe, accomplishing this in 1973. Moreover, Wisconsin Ho-chunk managed to gain federal recognition in 1963 over a century after they had sold their lands in Wisconsin. In the last twenty-five years, Great Lakes Indian tribes have endeavored to restore their political sovereignty. In 1983, the Ojibwe won an important court case: Wisconsin Ojibwe bands asserted that Wisconsin wrongly curtailed their rights to spearfish in lands they had ceded in earlier treaties. The Ojibwe rightly argued that they never gave up the right to hunt and fish off their reservations, as their treaties clearly state.

The Great Lakes tribes have also become more prosperous through Casino gambling, which is allowed on reservation lands because of the political sovereignty tribes have retained.

DISASTER INFORMATION FOR WISCONSIN BUSINESSES

SBA DECLARATION #9S36 SEVERE DROUGHT

Small businesses located in the counties of Kenosha, Rock, and Walworth may apply for economic injury disaster loan assistance through the SBA. These are working capital loans to help the business continue to meet its obligations until the business returns to normal conditions. Physical damages cannot be covered by these loans. These counties are eligible

because they are contiguous to one or more primary counties in the State of Illinois.

Only small, non-farm agriculture dependent businesses and small agricultural cooperatives are eligible to apply for assistance. Nurseries are also eligible for economic injury caused by drought conditions.

The economic injury disaster loan application deadline is June 17, 2003.

For further information, please call 1-800-359-2227.

SBA DECLARATION #3440 / #9R51 SEVERE STORMS, TORNADOES AND FLOODING

Homeowners, renters, landlords, and businesses located in Barron, Burnett, Chippewa, Clark, Dunn, Langlade, Lincoln, Marathon, Polk, Portage, Price, Rusk, Sawyer, Shawano, St. Croix, Taylor, Washburn, Waupaca, and Wood may apply for physical damage disaster loans through the SBA. Small businesses may also apply for economic injury disaster loan assistance. These are working capital loans to help the business continue to meet its obligations until the business returns to normal conditions. To date, SBA has approved \$4,191,300 in disaster loans as a result of this disaster.

The economic injury disaster loan application deadline is June 10, 2003.

For further information, please call 1-800-359-2227.

**SBA DECLARATION #9Q30
SEVERE STORMS AND
FLOODING**

Small businesses in Crawford, Grant, and Vernon Counties may apply for economic injury disaster loan assistance through the SBA. These are working capital loans to help the business continue to meet its obligations until the business returns to normal conditions.

These counties are eligible because they are contiguous to one or more primary counties in the State of Iowa.

The economic injury disaster loan application deadline is March 19, 2003.

For further information, please call 1-800-359-2227.

**SBA DECLARATION
#3417/#9P62 -- FLOODING**

Homeowners, renters, landlords, and businesses located in Iron and Vilas Counties may apply for physical damage disaster loans through the SBA. Small businesses may also apply for economic injury disaster loan assistance. These are working capital loans to help the business continue to meet its obligations until the business returns to normal conditions. These counties are eligible because they are contiguous to one or more primary counties in the State of Michigan.

The economic injury disaster loan application deadline is February 11, 2003.

For further information, please call 1-800-359-2227.



***HAPPY
THANKSGIVING***

WISCONSIN CALENDAR OF EVENTS

<http://app1.sba.gov/calendar/states/calendar.cfm?op=group&grp=73>

Only SBA sponsored events are endorsed by the Agency. Other events are merely provided as a resource.

NOVEMBER		DECEMBER	
21st	FastTrac 16 Week Course Wauwatosa SBDC at (262) 472-3217	27th	Developing a Business Plan Madison SBDC at (608) 262-3909
21st	Introduction to Using Microsoft Project Madison SBDC at (608) 262-3909	2nd	Starting & Running a Successful Business Waukesha SBDC at (262) 472-3217
21st	Make an Appointment with a WWBIC Representative Madison WWBIC at (608) 257-5450	2nd	Business Plans and Financing Options Milwaukee WWBIC at (414) 263-5450
21st	Career Transition Workshop 2 Waukesha SBDC at (262) 472-3217	3rd	FastTrac 16 Week Program West Bend SBDC at (262) 263-7680
22nd	Taking Care of Yourself Part V Whitewater SBDC at (262) 472-3217	3rd	Entrepreneurial Training Grant Certificate Program Madison SBDC at (608) 263-7680
23rd	Lending Support Circle Milwaukee WWBIC at (414) 263-5450	3rd	Small Business Seminar Stevens Point SCORE at (715) 387-0406
23rd	Essentials for Business Success Workshop Milwaukee SCORE at (414) 297-3942	3rd	Career Transition Workshop 3 Waukesha SBDC at (262) 472-3217
25th	Starting & Running a Successful Business Waukesha SBDC at (262) 472-3217	4th	Madison SCORE Seminar Madison SCORE at (608) 441-2820
25th	Employment Process Part IV Elkhorn SBDC at (262) 472-3217	4th	Developing a Business Plan Madison SBDC at (608) 262-3909
25th	Business Plans & Financing Options Milwaukee WWBIC at (414) 263-5450	5th	FastTrac 16 Week Course Wauwatosa SBDC at (262) 472-3217
26th	FastTrac 16 Week Course West Bend SBDC at (262) 472-3217	5th	Are You An Entrepreneur? Milwaukee WWBIC at (414) 263-5450
26th	Entrepreneurial Training Grant Certificate Program Madison SBDC at (608) 263-7680	5th	Career Transition Workshop Waukesha SBDC at (262) 472-3217
26th	How to Make Better Decisions Faster-Part 4 Waukesha SBDC at (262) 472-3217	9th	Starting & Running a Successful Business Waukesha SBDC at (262) 472-3217
26th	Small Business Start-Up Discussion Madison WWBIC at (608) 257-5450	9th	Business Plans & Financing Options Milwaukee WWBIC at (414) 263-5450
27th	Loan Seminar Milwaukee SCORE at (414) 297-3942	11th	Loan Seminar Milwaukee SCORE at (414) 297-3942
		11th	Group Lending Information Session Milwaukee WWBIC at (414) 263-5450
		12th	How to Attract & Retain Employees Elkhorn SBDC at (262) 472-3217
		14th	How to Really Start Your Own Business La Crosse (608) 784-4880
		14th	Lending Support Circle Milwaukee WWBIC at (414) 263-5450
		16th	Starting & Running a Successful Business Waukesha SBDC at (262) 472-3217
		16th	Business Plans & Financing Options Milwaukee WWBIC at (414) 263-5450
		18th	Business Plan Training Eau Claire Western Dairyland at (715) 836-7511
		18th	Loan Seminar Madison SCORE at (608) 441-2820
		18th	Small Business Seminar Marshfield SCORE at (715) 387-0406
		19th	Make Appt. with WWBIC Representative Madison WWBIC at (608) 257-5450
		23rd	Starting & Running a Successful Business Waukesha SBDC at (262) 472-3217
		23rd	Business Plans and Financing Options Milwaukee WWBIC at (414) 263-5450
		30th	Starting & Running A Successful Business Waukesha SBDC at (262) 472-3217
		30th	Business Plans and Financing Options Milwaukee WWBIC at (414) 263-5450 SBDC at (608) 262-3909

740 Regent Street, Suite 100, Madison, Wisconsin 53715. 608/441-5263-- FAX 608/441-5541

310 W. Wisconsin Avenue, Room 400, Milwaukee, Wisconsin 53203, 414/297-3941 FAX 414/297-1377

SBA LENDERS FOR OCTOBER 2002**AMERICAN NATIONAL BANK
FOX CITIES**

Appleton – 1 Loan for \$185,000

ANCHOR BANK SSB

Appleton – 2 Loans for \$439,000

Madison – 1 Loan for \$500,000

Total: 3 Loans for \$939,000**ASSOCIATED BANK NA**

Green Bay – 6 Loans for \$986,000

BANK OF KENOSHA

Kenosha – 1 Loan for \$75,000

BANK ONE NA

Chicago, IL – 1 Loan for \$317,500

BAYLAKE BANK

Sturgeon Bay – 1 Loan for \$75,000

**BRANCH BANKING and
TRUST COMPANY**

Winston-Salem, N.C.

1 Loan for \$150,000

CAMBRIDGE STATE BANK

Cambridge – 1 Loan for \$100,000

**CAPITAL ONE FEDERAL
SAVINGS BANK**

Falls Church, VA

2 Loans for \$60,000

**CIT SMALL BUSINESS
LENDING CORP.**

Morristown, NJ

1 Loan for \$227,000

**CITIZENS STATE BANK
AND TRUST**

Ft. Atkinson – 1 Loan for \$30,000

COMERICA BANK

Detroit, MI

1 Loan for \$225,000

COMMUNITY BANK & TRUST

Sheboygan – 3 Loans for \$415,000

**COMMUNITY BANK OF
GRAFTON**

Grafton – 2 Loans for \$337,000

COMMUNITY STATE BANK

Union Grove – 1 Loan for \$50,000

F&M BANK-WISCONSIN

Wautoma – 1 Loan for \$430,000

**FIRST BANK FINANCIAL
CENTRE**

Oconomowoc – 1 Loan for \$111,000

FIRST BANKING CENTER

Burlington – 3 Loans for \$358,000

Lake Geneva – 1 Loan for \$91,000

Total – 4 Loans for \$449,000**FIRST NATIONAL BANK OF
HARTFORD**

Hartford – 1 Loan for \$20,000

**GREAT LAKES ASSET
CORPORATION**

Green Bay – 1 Loan for \$956,000

**INVESTORS COMMUNITY
BANK**

Manitowoc – 1 Loan for \$150,000

JOHNSON BANK NA

Janesville- 1 Loan for \$417,800

LEGACY BANK

Milwaukee – 2 Loans for \$215,000

LINCOLN STATE BANK

Milwaukee – 1 Loan for \$115,000

**M&I MARSHALL & ILSLEY
BANK**

Milwaukee – 25 Loans for \$3,005,900

**MILWAUKEE ECONOMIC
DEVELOPMENT CORP.**

Milwaukee – 2 Loans for \$294,000

PARK BANK

La Crosse – 2 Loans for \$240,000

PEOPLES BANK OF WISCONSIN

Eau Claire – 1 Loan for \$135,000

PROSPERA CU

Appleton – 1 Loan for \$73,000

RIVER BANK

Sparta – 1 Loan for \$168,000

THE PINERIES BANK

Mattoon – 2 Loans for \$214,000

THE REEDSBURG BANK

Reedsburg – 1 Loan for \$410,000

U.S. BANK

Cincinnati, OH

6 Loans for \$1,527,000

San Diego, CA

1 Loan for \$487,000

Total – 7 Loans for \$2,014,000**WAUKESHA STATE BANK**

Waukesha – 1 Loan for \$83,000

**WELLS FARGO BANK
MINNESOTA NA**

Minneapolis, MN

4 Loans for \$376,500

**WELLS FARGO BANK
WISCONSIN NA**

Eau Claire – 1 Loan for \$200,000

Milwaukee – 1 Loan for \$25,000

Total: 2 Loans for \$225,000**WISCONSIN BUSINESS
DEVELOPMENT FINANCE
CORP.**

Monona – 5 Loans for \$2,222,000

